To
The Pay & Accounts Officer,
Government of India,
Ministry of Rural Development,
Krishi Bhawan, New Delhi.

Subject – Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) – on account payment of 1st/2nd part of 1st tranche of Central Assistance for the financial year 2016-17 to the State Government of Himachal Pradesh.

Sir,

I am directed to convey the sanction of the President of India to the payment of Grants-in-aid amounting to Rs. 37,53,20,000 (Rupees Thirty Seven Crore Fifty Three Lakh and Twenty Thousand Only) to the State Government of Himachal Pradesh as Central assistance for implementation of the MGNREGA for the financial year 2016-17. However, the State must ensure that pending liability of material component for FY 2015-16 is not cleared from these funds.

2. The State Government must transfer these funds along with the State share to the State Employment Guarantee Fund for programme implementation within 3 days positively from the date of receipt of these funds. In case of non transfer beyond this period, Central Government may be constrained to stop further releases. Besides, the State Government would be liable to pay interest @ 12% for the period of delay beyond the specified period. The State Government is requested to endorse the copy of the release order to the Central Government addressed as under;

Dr. Kushal Pathak, Director, (MGNREGA/SAGY)
Ministry of Rural Development, Room No.377, Krishi Bhawan,
New Delhi, 110114. Telefax No. 23384541

3. Further the following conditions shall be fulfilled in utilisation of these funds:

a) In all Electronic Fund Management system (eFMS) ‘implemented’ areas, the funds shall be maintained at the State level; and there shall be no intermediary accounts. All payments in these areas shall move directly from the State fund to the destination accounts based on the pay order generated at the Block/Gram Panchayat level.

b) Where eFMS is not yet implemented, steps shall be taken to implement the same at the earliest. In these areas, (i) Funds being released now shall NOT be released to GPS/Implementing Agencies who are already having funds for running the programme for 30 days (ii) Release to the deficit GPS/IAS shall be restricted to the level required for running the programme for 30 days at a time (iii) State shall ensure that the fund available at each GP/IA shall not exceed the requirements for 30 days at any point of time (iv) The State will pull back excess funds lying with fund-surplus GPS/IAS to the SEG.

c) The detailed voucher-based data shall be available in the NREGASoft for all the expenditure done.

d) The material component including wages of skilled and semi-skilled labour shall not exceed 40% at GP level, and in the case of Implementing Agencies at the district level. The material component is to be shared on 75:25 basis between the Centre and the State Government respectively.

e) This grant is towards plan expenditure and shall be utilized for approved items of works subject to the conditions laid down in the MGNREGA Guidelines. No deviation from the provisions of the Guidelines is permissible.

4. No Utilization Certificate is pending against the Recipient Organization under the Scheme.
5. The accounts of the grantee institutions will be audited by the Comptroller and Auditor General of India and the Internal Audit of the Principal Accounts Office of the Ministry in terms of Rule 211 (1) of the General Financial Rules.

6. The expenditure is debitable to the following Head of Accounts under Demand No. 75 Department of Rural Development (2015-2016).

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<thead>
<tr>
<th></th>
<th>Description</th>
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<tr>
<td>3601</td>
<td>Grants-in-aid to State Governments (Major Head)</td>
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<td>419</td>
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<td>Mahatma Gandhi National Rural Employment Guarantee Scheme</td>
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<tr>
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<td>Grants for creation of Capital Assets</td>
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7. The Pay & Accounts Officer, M/O Rural Development will be the Drawing & Disbursing Officer for the purpose. The amount mentioned in Para -1 above will be transferred to the State Government of Himachal Pradesh.

8. Performance of the State on the following parameters may also be kept in view by this Ministry while making further releases:


b) Status of implementation of State Convergence Plan in the State.

c) Settling of claims for compensation for delay in the payment of wages.

d) Operation of the provision of unemployment allowance as per Section 7 of MGNREGA.

9. Conditions mentioned in the minutes of the LB meeting 2015-16 may be complied with before release of next installment.

10. This issues under the powers delegated to this Ministry and in consultation with the Integrated Finance Division vide their U.O. No. 45/Fin-I/2016-17 dt 21.04.2016.

Yours Faithfully,

(Dr. Kushal Pathak)
Director (MGNREGA/SAGY)
Tel: 011-23384541

Copy to:
1. The Principal Secretary, Finance Department, Govt. of Himachal Pradesh -171001.
2. The Principal Secretary, Rural Development, Govt. of Himachal Pradesh-171001.
3. The Accountant General, Govt. of Himachal Pradesh-171003..
4. The Director, Rural Development, Govt. of Himachal Pradesh-171001.
5. The Director of Audit, E&S Ministries, IP Estate, AGCR Building, New Delhi-110001.
6. The Resident Commissioner, Government of Himachal Pradesh., New Delhi-110001 for taking necessary action under intimation to this Ministry.
7. EO(I) RE V Section.
8. The Section Officer (Fin.-I)

(Dr. Kushal Pathak)
Director (MGNREGA/SAGY)
Tel: 011-23384541